Mr. M. B. GURULINGIAH.—Is it not desirable to take up Kethohalli crossing station soon for the convenience of the people ?

Mr. Y. K. RAMACHANDRA RAU.—The convenience of the public has been already provided for as shuttle trains are stopping at Kethohalli. Nagenhalli crossing station is more urgent.

Mr. M. B. GURULINGIAH.—Is not a regular station necessary there? When will Kethohalli get its turn ?

Mr. Y. K. RAMACHANDRA RAU.—After Nagenhalli.

Mr. M. B GURULINGIAH—On whose initiative was the question of these two stations taken up for consideration ?

Mr. Y. K. RAMACHANDRA RAU.—I cannot say that. I can only say that the question has been under the consideration of the department for the past 10 years.

Mr. M. B. GURULINGIAH.—What will be the cost roughly of constructing a station at Kethohalli ?

Mr. Y. K. RAMACHANDRA RAU.—Not less than Rs. 50,000.

Mr. M. B. GURULINGIAH.—What will be the revenue from the station when constructed ?

Mr. Y. K. RAMACHANDRA RAU.—It is too early to say that. A crossing station will help traffic working during busy periods.

## Distribution of Petrol Tax.

*Q.*—9. Mr. Rayara KEMPANNA (Bowringpet Taluk).—

Will the Government be pleased to state :—

(*a*) the share of petrol cess that is being paid to the Government of Mysore by the Government of India ;

(*b*) the towns among which this cess has been distributed ;

(*c*) the number of towns containing petrol bunks in the Mysore State ;

(*d*) whether this cess has been distributed for the improvement of such towns ; if so, in what proportion (year-war statement for three years may kindly be furnished)?

*A.*—The SECRETARY to GOVERNMENT, LAW DEPARTMENT (Mr. H. V. Narayana Rao).—

(*a*)—

| Year | | Rs. |
|---|---|---|
| 1937-38 | ... | 3,71,022 |
| 1938-39 | ... | 3,82,648 |
| 1939-40 | ... | 3,82,759 |

(*b*) The amount of cess is, after realisation, credited to Road Fund and no part of it is ear-marked for distribution among towns. The town municipalities which were levying vehicle tax on motor vehicles at the time when the Mysore Road Traffic and Taxes Act came into force are now getting an annuity from the Road Fund by way of compensation for loss of vehicle tax based on the average realisations of three years preceding 30th June 1935.

(*c*) 23.

(*d*) *Vide* reply to clause (*b*) above. Road Fund is not meant to be used for improvement of towns.

Mr. Rayara KEMPANNA.—What part of the petrol tax revenue derived from sales in Mysore is distributed to Mysore Government ?

Mr. H. V. NARAYANA RAO.—Notice

Mr. Rayara KEMPANNA.—Is not the whole of the amount paid as the State's share of petrol tax revenue contributed by the State's people ?

The FIRST MEMBER (Rajamantrapravjna N. Madhava Rau).—You may say so.

Mr. Rayara KEMPANNA.—Out of the 23 towns referred to in answer to (*c*), in how many places have waiting rooms been constructed for bus passengers ?

Mr. N. MADHAVA RAU.—Notice

Mr. Rayara KEMPANNA.—May I at least know in how many places waiting rooms have yet to be provided? Is it necessary to provide them urgently in Chintamani, Bowringpet and other places ?

Mr. N. MADHAVA RAU.—In some places, the municipalities themselves have taken up the construction of waiting rooms, and in other places Government have sanctioned grants for the purpose. We cannot provide waiting sheds in all places at one and the same time.

Mr. Rayara KEMPANNA.—Is the petrol tax revenue utilised for expenditure only on provincial roads or is any part of it given also to municipalities in the shape of grants?

Mr. H. V. NARAYANA RAO.—Local bodies are also getting grants from that amount.

Mr. Rayara KEMPANNA.—What is the purpose of giving those grants?

Mr. H. V. NARAYANA RAO.—For keeping their roads in a good state of repair.

Mr. Rayara KEMPANNA.—What is the claim that local fund roads have on petrol tax revenue?

Mr. H. V. NARAYANA RAO.—The buses make use of their roads also.

Mr. K. N. PUTTANNA.—Why not village panchayets also be given a share of the petrol tax revenue?

Mr. N. MADHAVA RAU.—That is not practicable. If a revenue of Rs. 3 lakhs is to be distributed among all the village panchayets, the amount which each panchayet will get will be very negligible. The panchayets get a separate grant from the special provision under Rural Reconstruction, and from the fund to be formed for inter-village communications, and there is no need to allot anything to them from the Road Fund.

Mr. S. RAMAPPA.—In what proportion is the grant from petrol cess made to district boards?

Mr. N. MADHAVA RAU.—District Boards are paid from the road fund on the basis of their average realizations from tolls for three years preceding 30th June 1935.

Mr. S. RAMAPPA.—Is there any order to the effect that this grant should be spent by the district boards only on that portion of the road which forms parts of the provincial road and not for any other roads belonging to the same district?

Mr. N. MADHAVA RAU.—This fund is intended primarily for the upkeep of provincial roads. So, if at all, it is only a small part of it that can be used for district board roads. It is obvious that the fund cannot be applied to other purposes. And even for the maintenance of district fund roads, one cannot be sure of this grant every year.

Mr. S. RAMAPPA.—In view of the depleted finances of district boards, is it not desirable that Government should take over the maintenance of district fund roads also?

Mr. N. MADHAVA RAU.—Maintenance of those roads is a charge on the ordinary district funds. Grants from the petrol tax revenue are only a windfall.

Mr. S. RAMAPPA.—The district boards have to get a share of the petrol tax revenue because buses and lorries use their roads also just as they make use of the provincial roads. Therefore, so far as maintenance is concerned, why should any distinction be made as between provincial roads and district fund roads?

Mr. N. MADHAVA RAU.—That is a complicated question which cannot be fully gone into in the course of answers to supplementary questions. But the member may rest assured that we have given as much as we could for the benefit of district fund roads.

Mr. S. RAMAPPA.—Certain district boards have a longer mileage of roads than others, used by lorries and buses. In such cases, the amount allotted for the maintenance is larger than the grant given to other district boards which have a shorter road mileage?

Mr. N. MADHAVA RAU.—This is more or less a stationary revenue and it is not possible to distribute it for the maintenance of all types of roads.

Mr. N. SONNAPPA.—Have not district boards been deprived of a sure source of revenue consequent on the abolition of tolls and therefore are they not entitled to suitable compensation?

Mr. N. MADHAVA RAU.—By way of compensation they are being paid a grant equivalent to 3 years' receipts from tolls.

Mr. K. VENKATARAMIAH.—As regards compensation paid, is it a fixed payment or will it be revised from time to time?

Mr. N. MADHAVA RAU.—It is more or less fixed.

Mr. J. ASWATHANARAYANA RAO.—The grant given by way of compensation

has been stationary. There is need for putting up waiting sheds and rest houses for the convenience of bus passengers in various places. The district boards would have provided them if they had continued to levy the vehicle tax. Under the present altered circumstances, is it not necessary for the Government to make a special grant to the district boards for constructing bus stands and rest houses?

Mr. PRESIDENT.—Your suggestion will be noted.

## GOVERNMENT BUSINESS—BILLS—*concld.*

### 7. General Principles of the Bill further to amend the Mysore Sugar Excise Duty Act, 1934.

The SECRETARY to GOVERNMENT, LAW DEPARTMENT (Mr. H. V. Narayana Rao) explained the general principles of the bill as follows :—

The excise duty on sugar (other than khandsari and palmyra sugar) both in British India and Mysore was Rs. 2 per cwt. The duty was raised to Rs. 3 in British India from 1st March 1940. As the duty in Mysore has to be kept at the same rate as in British India, an Emergency Act (XV of 1940) was therefore promulgated on 1st March 1940 raising the duty from Rs. 2 to Rs. 3 per cwt.

As the Emergency Act expires on 1st September 1940 and as the enhanced duty will have to be in force after that date also, this bill is designed to empower Government to continue to levy the duty at the revised rate.

Mr. B. L. BYANNA strongly opposed the bill on the ground that the enhancement of excise duty would hit the poor people very hard. The proposed increase would work out at 4 annas per maund of sugar, which was very heavy. As sugar was one of the necessaries of life, the proposal before the House would amount to the levy of an additional tax on an article of necessity.

In answer to certain members asking for certain particulars the SECRETARY to GOVERNMENT, FINANCIAL DEPARTMENT (Mr. A. N. Raghavachar) stated that the levy of this enhanced duty had been suggested by the Government of India as a war measure, that hitherto the State was retaining the entire revenue under this head and that under the arrangement proposed by the Government of India, the State could retain only an amount equivalent to the highest amount realized during any of the three preceding years and would have to make over the balance to the Imperial Government. The total revenue anticipated to be retained out of this tax was about Rs. 13 lakhs.

Mr. Y. V. MUNISWAMI IYER had no objection to the enhanced levy if it was intended only as a temporary measure.

Mr. A. N. RAGHAVACHAR replied that the decision about duration of the duty rested with the Government of India and that whatever action was taken by them in respect of sugar manufactured in other parts of India would have to be adopted in this State also. He added that if the Government of Mysore did not levy the enhanced duty, Mysore Sugar would be subjected to the levy when it was exported outside the State for purposes of sale.

Mr. B. L. BYANNA pointed out that the proposal went against the promise made by the Dewan at an earlier session of the Assembly, that no additional taxation would be resorted to in future, since the tax payer had been already taxed to the utmost extent.

Mr. A. N. RAGHAVACHAR explained that this would not affect the poorer classes who generally consumed only jaggery which was totally exempt from excise duty.

Thereupon, Mr. L. VEMA REDDY conceded the reasonableness of the proposal in the light of the emergency created by war conditions and the urgent need for help in the cause of imperial defence.

Mr. S. C. MALLIAH regretted that he could not see his way to support the bill. Owing to the war, the price of sugar had already mounted up during the past three months, and enhancement of the duty on sugar would inflate the price still further. Secondly, the proposed tax would adversely affect the interests of the raiyat who was supplying